

SERFF Tracking Number:	BRTH-125641103	State:	Arkansas
Filing Company:	Brotherhood Mutual Insurance Company	State Tracking Number:	EFT \$100
Company Tracking Number:	AR WC RR 2008 01		
TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Comp Annual Rate Filing		
Project Name/Number:	Work Comp Rate Filing/AR WC RR 2008 01		

Filing at a Glance

Company: Brotherhood Mutual Insurance Company

Product Name: Workers Comp Annual Rate SERFF Tr Num: BRTH-125641103 State: Arkansas

Filing

TOI: 16.0 Workers Compensation

SERFF Status: Closed

State Tr Num: EFT \$100

Sub-TOI: 16.0004 Standard WC

Co Tr Num: AR WC RR 2008 01

State Status: Fees verified and received

Filing Type: Rate

Co Status:

Reviewer(s): Betty Montesi, Carol Stiffler, Brittany Yielding

Authors: Linda Emenhiser, Karen Miller

Disposition Date: 05/09/2008

Date Submitted: 05/09/2008

Disposition Status: Approved

Effective Date Requested (New): 08/01/2008

Effective Date (New): 08/01/2008

Effective Date Requested (Renewal): 08/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Work Comp Rate Filing

Status of Filing in Domicile:

Project Number: AR WC RR 2008 01

Domicile Status Comments:

Reference Organization: NCCI

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 05/09/2008

State Status Changed: 05/09/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

We are adopting the revised prospective loss costs in NCCI's filing # AR-2008-02. Our revised loss cost multiplier is 1.432 and our expense constant will remain \$140.

The adoption of the revised NCCI loss costs applied to our filed loss cost multiplier results in a 12.9% rate decrease and a 11.0% premium decrease.

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Company and Contact

Filing Contact Information

Linda Emenhiser, Sr. Rate & Filing Coordinator lemenhiser@brotherhoodmutual.com

P. O. Box 2227 (260) 482-8668 [Phone]

Fort Wayne, IN 46801 (260) 483-7525[FAX]

Filing Company Information

Brotherhood Mutual Insurance Company CoCode: 13528 State of Domicile: Indiana

PO Box 2227 Group Code: -99 Company Type:

6400 Brotherhood Way

Fort Wayne, IN 46801-2227

(260) 482-8668 ext. 9972[Phone]

Group Name:

State ID Number:

FEIN Number: 35-0198580

Filing Fees

Fee Required? Yes

Fee Amount: \$100.00

Retaliatory? No

Fee Explanation:

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Brotherhood Mutual Insurance Company	\$100.00	05/09/2008	20195799

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Carol Stiffler	05/09/2008	05/09/2008

<i>SERFF Tracking Number:</i>	<i>BRTH-125641103</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Brotherhood Mutual Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$100</i>
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Disposition

Disposition Date: 05/09/2008
 Effective Date (New): 08/01/2008
 Effective Date (Renewal):
 Status: Approved
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Brotherhood Mutual Insurance Company	-11.000%	\$-50,900	277	\$462,403	9.000%	-22.000%	-5.600%

SERFF Tracking Number:	BRTH-125641103	State:	Arkansas
Filing Company:	Brotherhood Mutual Insurance Company	State Tracking Number:	EFT \$100
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TOI:	16.0 Workers Compensation	Sub-TOI:	16.0004 Standard WC
Product Name:	Workers Comp Annual Rate Filing		
Project Name/Number:	Work Comp Rate Filing/AR WC RR 2008 01		

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	NAIC Loss Cost Filing Document for Workers' Compensation	Approved	Yes
Supporting Document	NAIC loss cost data entry document	Approved	Yes

SERFF Tracking Number:	BRTH-125641103	State:	Arkansas
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Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Decrease
Overall Percentage of Last Rate Revision:	1.100%
Effective Date of Last Rate Revision:	02/01/2008
Filing Method of Last Filing:	Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Brotherhood Mutual Insurance Company	-5.600%	-11.000%	\$-50,900	277	\$462,403	9.000%	-22.000%

SERFF Tracking Number: BRTH-125641103 State: Arkansas
Filing Company: Brotherhood Mutual Insurance Company State Tracking Number: EFT \$100
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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 05/09/2008

Comments:

Attachment:

uniform_trans_AR.pdf

Satisfied -Name: NAIC Loss Cost Filing Document for Workers' Compensation **Review Status:** Approved 05/09/2008

Comments:

Attachments:

lc_filing_document_wc.pdf
wc_lc_cover.pdf
lc_exp_const_supplement.pdf

Satisfied -Name: NAIC loss cost data entry document **Review Status:** Approved 05/09/2008

Comments:

Attachment:

loss_cost_data_entry.pdf

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name				Group NAIC #
4. Company Name(s)	Domicile	NAIC #	FEIN #	
Brotherhood Mutual Insurance Company	IN	13528	35 0198580	

5. Company Tracking Number	AR WC RR 2008 01
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Scott Allen 6400 Brotherhood Way Fort Wayne, IN 46825	Associate Actuary	800-333-3735 x9974	800-228-8613	sallen@brotherhoodmutual.com
Linda Emenhiser 6400 Brotherhood Way Fort Wayne, IN 46825	Senior Rate & Filing Coordinator	800-333-3735 x9972	800-228-8613	lemenhiser@brotherhoodmutual.com
7. Signature of authorized filer	<i>Scott Allen</i>			
8. Please print name of authorized filer	Scott Allen			

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	16.0000
10. Sub-Type of Insurance (Sub-TOI)	16.0004
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input checked="" type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 8/1/2008 Renewal: 8/1/2008
15. Reference Filing?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	NCCI
17. Reference Organization # & Title	NCCI #AR-2008-02
18. Company's Date of Filing	05/09/2008
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	AR WC RR 2008 01
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21. Filing Description	[This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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We are adopting the revised prospective loss costs in NCCI's filing # AR-2008-02. Our revised loss cost multiplier is 1.432 and our expense constant will remain \$140.

The adoption of the revised NCCI loss costs applied to our filed loss cost multiplier results in a 12.9% rate decrease and a 11.0% premium decrease.

[illegible]

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

PC TD-1 pg 2 of 2

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	AR WC RR 2008 01
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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☐ Rate Increase ☒ Rate Decrease ☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval
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4a.	Rate Change by Company (As Proposed)					
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Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Brotherhood	-11.0%	-\$50,900	277	\$462,403	+9%	-22%

4b.	Rate Change by Company (As Accepted) For State Use Only					
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Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5.	Overall Rate Information (Complete for Multiple Company Filings only)		
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		COMPANY USE	STATE USE
5a	Overall percentage rate impact for this filing		
5b	Effect of Rate Filing – Written premium change for this program		
5c	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	+1.1%
7.	Effective Date of last rate revision	2/1/2008
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	Prior Approval

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		[] New [] Replacement [] Withdrawn	
02		[] New [] Replacement [] Withdrawn	
03		[] New [] Replacement [] Withdrawn	

NAIC LOSS COST FILING DOCUMENT— WORKERS' COMPENSATION

CALCULATION OF COMPANY LOSS COST MULTIPLIER

(EFFECTIVE AUG. 16, 2004)

This filing transmittal is part of Company Tracking #	AR WC RR 2008 01
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

(X) **Loss Cost Reference Filing** NCCI #AR-2008-02 () **Independent Rate Filing**
(Advisory Org. & Reference filing #)

If this is a loss cost filing adopting an advisory organization's loss costs, the above insurer hereby declares that it is a member, subscriber or service purchaser of the named advisory organization for this line of insurance. The insurer hereby files (to be deemed to have independently submitted as its own filing) the prospective loss costs in the captioned Reference Filing. The insurer's rates will be the combination of the prospective loss costs and the loss cost multipliers and, if utilized, the expense constants specified in the attachments.

1. Check one of the following:

<input checked="" type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and if utilized, expense constants specified in the attachments. The rates will apply to policies written on or after the effective date of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or until amended or withdrawn by the insurer. Note: Some states have statutes that prohibit this option for some lines of business.
<input type="checkbox"/>	The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above Advisory Organization Reference Filing.

2. Does this filing apply to all class codes? Yes If no, complete a copy of this form for each affected class with appropriate justification.

3. Loss cost modification:

A. The insurer hereby files to adopt the prospective loss costs in the captioned reference filing:
(Check One)

(X) Without Modification (factor = 1.000)

() With the following modification(s). (Cite the nature and percent modification, and attach supporting data and/or rationale for the modification.) _____

B. Loss Cost Modification Expressed as a Factor: (See Examples Below) 1.00

Example 1: Loss cost Modification Factor: If your company's loss cost modification is -10%, a factor of .90 (1.000 - .100) should be used.

Example 2: Loss cost Modification Factor: If your company's loss cost modification is =15%, a factor of 1.15 (1.000 + .150) should be used.

NOTE: IF EXPENSE CONSTANTS ARE UTILIZED ATTACH "EXPENSE CONSTANT SUPPLEMENT" OR OTHER SUPPORTING INFORMATION. DO NOT COMPLETE ITEMS 4-11 BELOW.

4. **Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio.** (Attach exhibit detailing insurer expense data, impact of premium discount plans, and/or other supporting information.)
PROJECTED EXPENSES: Compared to standard premium at company rates.

Selected Provisions		
A.	Total Production Expense	
B.	General Expense	
C.	Taxes, Licenses & Fee	
D.	Underwriting profit & contingencies*(net of investment income)	
E.	Other (explain)	
F.	Total	
	* Explain how investment income is taken into account	

5.	A.	Expected Loss Ratio: $ELR = 100\% - 4F =$	
	B.	ELR in Decimal Form =	

NAIC LOSS COST FILING DOCUMENT—*WORKERS' COMPENSATION*

6.	Overall Impact of Expense Constant and Minimum Premiums: (a 2.3% impact would be expressed as 1.023)	
7.	Overall Impact of Size-of-Risk Discounts plus Expense Graduation Recognition in Retrospective Rating: (An 8.6% average discount would be expressed as 0.914)	
8.	Company Formula Loss Cost Multiplier [3B / ((7 – 4F) X 6)]	
9.	Company Selected Loss Cost Multiplier = (Attach explanation for any differences between 6 and 7)	

Yes No

10. **Are you amending your minimum premium formula?** If yes, attach documentation, including rate level impact as well as changes in multipliers, expense constants, maximum, etc.

() ()

11. **Are you changing your premium discount schedules?** If yes, attach schedules and support, detailing premium or rate level changes.

() ()

Date: 5/09/2008

Space Reserved for Insurance
Department Use

**WORKERS' COMPENSATION
LOSS COST FILING DOCUMENT COVER FORM**

INSURER RATE FILING
ADOPTION OF ADVISORY ORGANIZATION
PROSPECTIVE LOSS COSTS

1. INSURER NAME Brotherhood Mutual Insurance Company
ADDRESS 6400 Brotherhood Way
Fort Wayne, IN 46825

2. PERSON RESPONSIBLE FOR FILING Scott Allen
TITLE Associate Actuary TELEPHONE # 800-333-3735
3. INSURER NAIC # 13528
4. LINE OF INSURANCE Workers Compension
5. ADVISORY ORGANIZATION NCCI
6. PROPOSED RATE LEVEL CHANGE -11.0% EFFECTIVE DATE 8/1/08
7. PRIOR RATE LEVEL CHANGE +1.1% EFFECTIVE DATE 2/1/08
8. ATTACH "NAIC LOSS COST FILING DOCUMENT—OTHER THAN WORKERS' COMPENSATION" (Use the above document separately for each insurer elected loss cost multiplier.)

NAIC EXPENSE CONSTANT SUPPLEMENT

CALCULATION OF COMPANY LOSS COST MULTIPLIER WITH EXPENSE CONSTANTS

(EFFECTIVE AUG. 16, 2004)

(This form must be provided ONLY when making a filing that includes an expense constant)

This filing transmittal is part of Company Tracking #	AR WC RR 2008 01
This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

Development of Expected Loss Ratio. (Attach exhibit detailing insurer expense data and/or other supporting information.)

Selected Provisions

4.			Overall	Variable	Fixed	
	A.	Total Production Expense	15.28	14.46	0.82	%
	B.	General Expense	15.62	10.70	4.92	%
	C.	Taxes, License & Fees	3.00	3.00		%
	D.	Underwriting Profit & Contingencies* (net)	2.00	2.00		%
	E.	Other (explain)				%
	F.	TOTAL	35.90	30.16	5.74	%
		*Explain how investment income is taken into account.				

5.	A.	Expected Loss Ratio: ELR = 100% - Overall 4F	64.10	%
	B.	ELR in decimal form =	0.6410	
	C.	Variable Expected Loss Ratio: VELR=100% - Variable 4F	69.84	%
	D.	VELR in Decimal Form = B. ELR in Decimal Form =	0.6984	

6.	A.	Formula Expense Constant: [(1.00 divided by 5B) – (1.00 divided by 5D)]	140	
	B.	Formula Variable Loss Cost Multiplier (3B divided by 5D)	1.432	

7.	A.	Selected Expense Constant =	140	%
	B.	Selected Variable Loss Cost Multiplier =	1.432	%

8. Explain any differences between 6 and 7:

9.	Rate level change for the coverage(s) to which this page applies	-11.0	%
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NAIC LOSS COST DATA ENTRY DOCUMENT (EFFECTIVE AUG. 16, 2004)

1.	This filing transmittal is part of Company Tracking #	AR WC RR 2008 01
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of advisory organization and Reference/Item Filing Number	NCCI # AR-2008-02
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	Company Name		Company NAIC Number
3.	A.	Brotherhood Mutual Insurance Company	B. 13528

	Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	16.0000	B. 16.0004

5.							
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Workers Comp	-5.6	-11.0%	64.1	1.00	1.432	140	1.460
TOTAL OVERALL EFFECT							

6.							
5 Year History		Rate Change History					
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2007	278	-6.8	8/1/06	474,067	63,418	13%	38%
2006	274	-5.9	8/1/06	474,067	63,418	13%	38%
2005	277	1.0	7/1/05	440,397	222,887	51%	41%
2004	272	5.7	9/1/04	418,136	83,480	20%	39%
2003	289	0.5	8/15/03	401,057	393,554	98%	47%

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	15.3
B. General Expense	15.6
C. Taxes, License & Fees	3.0
D. Underwriting Profit & Contingencies	2.0
E. Other (explain)	
F. TOTAL	35.6

8. Y Apply Lost Cost Factors to Future filings? (Y or N)
9. +9 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. -22 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____